

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2006-148-C**

**In Re:**

<b>Application of Zeus Telecommunications</b>	<b>)</b>	
<b>LLC for a Certificate of Public</b>	<b>)</b>	
<b>Convenience and Necessity to Provide</b>	<b>)</b>	<b>SETTLEMENT AGREEMENT</b>
<b>Resold Intrastate Interexchange</b>	<b>)</b>	
<b>Telecommunications Services Within</b>	<b>)</b>	
<b>The State of South Carolina</b>	<b>)</b>	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Zeus Telecommunications Corp., ("ZEUS" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on May 24, 2006, ZEUS filed its Application requesting a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange telecommunications services within the State of South Carolina;

WHEREAS, on June 9, 2006, the Public Service Commission of South Carolina ("the Commission") appointed F. David Butler, Esquire, as the Hearing Examiner in this matter;

WHEREAS, on June 28, 2006, ZEUS pre-filed the direct testimony of Thomas H. Ong with the Commission;

WHEREAS, the Commission scheduled this matter to be heard before Hearing Examiner F. David Butler on August 14, 2006 at 10:00 am;

WHEREAS, the purpose of this proceeding is to review the application filed by ZEUS and its request for a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange telecommunications services within the State of South Carolina;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by ZEUS and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by ZEUS;

WHEREAS, as a result of its investigations, ORS has determined a) ZEUS intends to offer resold interexchange telecommunications services from points of origin within the State of South Carolina and intends to offer Outbound 1+ service, Inbound 8xx service, postpaid travel card service and directory assistance; b) the proposed services will be furnished using the transmission facilities of other certificated carriers to the extent permitted by the Commission and where consistent with applicable tariff regulations; c) ZEUS will not construct any facilities to implement the authority sought herein; d) ZEUS will resell its proposed long distance services throughout the State of South Carolina; e) customers will be billed directly on a monthly basis; f) ZEUS will adhere to Commission regulations regarding intraLATA traffic, including the guidelines set forth in Order No. 93-462, dated June 3, 1993.; g) ZEUS understands that the Commission has expanded intraLATA competition to allow operator service providers to service intraLATA traffic and ZEUS reserves the right to provide such intraLATA service, consistent with the Order of the Commission in Docket Nos. 92-182-C, 92-183-C and 92-900-C, Order No. 92-480; h) the officers of ZEUS possess sufficient technical and managerial abilities to adequately provide the services applied for; i) based upon the information provided and the

analysis performed, ZEUS appears to have access to sufficient financial resources necessary to provide the services proposed in its application; j) ZEUS's proposed tariffs are in compliance with Commission statutes and regulations; k) the services provided by ZEUS will meet the service standards required by the Commission; l) the provision of services by the Company will not adversely impact the availability of affordable telecommunications services; m) to the extent it is required to do so by the Commission, ZEUS will participate in the support of universally available telephone service at affordable rates; and n) the provision of interexchange services by ZEUS will serve the public interest by increasing competition within the interexchange marketplace and provide consumers with a greater choice of long distance services;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that ZEUS's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of ZEUS Witness Thomas H. Ong without cross-examination by ORS;
- 3) ZEUS agrees to provide, and has already submitted, financial data which was provided as Exhibit D to its Application and which is incorporated by reference;
- 4) ZEUS agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, ZEUS agrees to adhere to the Federal Communication Commission rule 47 C.F.R. § 64.1190 and 64.1130 regarding

preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, ZEUS shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

- 5) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide and resold interexchange telecommunications services within the state of South Carolina;
- 6) ORS does not oppose the Company's request for waivers of 26 S.C. Code Ann. Regs. 103-610, 26 S.C. Code Ann. Regs. 103-612.2.3, and 26 S.C. Code Ann. Regs. 103-631;
- 7) ZEUS agrees to resell the services of only those interexchange carriers authorized to do business in South Carolina by the Commission. ZEUS agrees to notify ORS and the Commission, in writing, if the Company changes underlying carriers;
- 8) ZEUS agrees that the Company will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;
- 9) ZEUS agrees to adhere to Commission regulations regarding intraLATA traffic, including the guidelines set forth in Order No. 93-462, dated June 3, 1993. ZEUS reserves the right to provide such intraLATA service, consistent with the order of the Commission in docket Nos. 92-182-C, 92-183-C and 92-200-C, Order No. 92-480.

- 10) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and/or gross receipts reporting;
- 11) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

- 12) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

- 13) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.
- 14) This Settlement Agreement shall be interpreted according to South Carolina law.
- 15) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

**Representing the Office of Regulatory Staff**

Wendy B. Cartledge

Wendy B. Cartledge, Esquire  
Office of Regulatory Staff  
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7/21/06

Date

WE AGREE:

**Representing ZEUS, Inc.**

Benjamin A. Traywick

Benjamin A. Traywick, Esquire  
John J. Pringle, Jr., Esquire  
Ellis, Lawhorne & Sims, PA  
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7/21/06

Date

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2006-148-C**

RE:

Application of Zeus Telecommunications, LLC	)	
For a Certificate of Public Convenience and	)	
Necessity to Provide Resold Intrastate Inter-	)	<b>CERTIFICATE OF</b>
Exchange Telecommunications Services Within	)	<b>SERVICE</b>
The State of South Carolina	)	

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

**John J. Pringle, Jr., Esquire**  
**Benjamin A. Trawick, Esquire**  
Ellis, Lawhorne & Sims, P.A.  
Post Office Box 2285  
Columbia, SC 29202

  
\_\_\_\_\_  
Pamela J. McMullan

July 21, 2006  
Columbia, South Carolina